

1 AFTERNOON SESSION

2 MR. DYGERT: All right. Whenever you are
3 ready, we are ready to begin. If the petitioners
4 are ready to begin their correction, we will begin.

5 Would you please identify yourselves for
6 the record, and we will ask the Court Reporter to.

7 MR. D'AMICO: My name is Pete D'Amico.

8 MR. ALBERT: My name is Don Albert.

9 Whereupon,

10 PETER J. D'AMICO

11 DONALD E. ALBERT

12 were called for examination by the Commission and,
13 after having been duly sworn by the notary public,
14 were examined and testified as follows:

15 CROSS-EXAMINATION

16 MS. KELLEY: I have a few questions about
17 your GRIPS and your VGRIPS proposal, and these are
18 issues 1.1, by and large, and I just want to first
19 get some kind of background straight. We had some
20 cross-examination this morning, and I want to make
21 sure that the proposal is clear.

22 Now, as a general matter, and this is

1 addressed to whichever one of you wants to address
2 it, Verizon acknowledges that WorldCom is allowed
3 to choose a point of interconnection or POI, P-O-I,
4 and that it can choose one per LATA under existing
5 law; isn't that true?

6 MR. D'AMICO: Yes.

7 MS. KELLEY: And to make sure I have that
8 straight, that POI is where two physical networks
9 physically meet. One side is WorldCom's and one
10 side is Verizon's network?

11 MR. D'AMICO: Correct.

12 MS. KELLEY: And I would like to focus on
13 your GRIPS proposal first. And your proposal
14 generally is that a WorldCom, what you call an IP,
15 an interconnection point, be established in each
16 rate center in which WorldCom has assigned
17 telephone numbers; is that correct?

18 MR. D'AMICO: That's correct.

19 MS. KELLEY: That IP is typically
20 different than the point of interconnection that we
21 just discussed?

22 MR. D'AMICO: It could be different, but

1 it doesn't have to be. In other words, the
2 physical point of interconnection could be the
3 WorldCom interconnection point as well.

4 MS. KELLEY: But to the extent that
5 WorldCom is assigned numbers in a rate center,
6 there has to be a separate IP in each rate center,
7 WorldCom IP in each rate center?

8 MR. D'AMICO: Under GRIP that would be one
9 of the network architectures, but it also allows or
10 accounts for a single point of interconnection as
11 well.

12 MS. KELLEY: I don't think I understood
13 your question.

14 If WorldCom--I understand that if the POI
15 that we have designated is in a rate center where
16 we have customers, that could also be the IP. But
17 assume for the moment that it's not.

18 I mean, isn't it true that in every rate
19 center in which WorldCom has assigned telephone
20 numbers, under your proposal we would have to
21 establish separate interconnection points?

22 MR. DYGERT: Before you answer that, could

1 I ask one clarifying question. Is a rate center
2 for purposes of this testimony the same thing as a
3 local calling area, or is there some difference?

4 MR. D'AMICO: It's a local calling area.

5 MR. DYGERT: Okay, thank you.

6 MS. KELLEY: Okay, I'd like to get back to
7 that. But before we do, the question that I asked
8 you about an IP in each rate center, is that
9 correct?

10 MR. D'AMICO: Let me give you a quick
11 overall answer on that. One option is to have each
12 interconnection point in each local calling area
13 that WorldCom would NXXs. So that's one
14 architecture, if you will.

15 Another architecture would be for WorldCom
16 to have one single POI, and Verizon to deliver its
17 traffic to that single POI, and then there would be
18 some type of financial I guess responsibility to
19 WorldCom for Verizon's delivering it to a POI
20 that's outside the local calling area.

21 MS. KELLEY: And I'm right, aren't I, that
22 that financial responsibility runs between

1 what--this IP that we have been talking about in
2 the POI. So in other words, in each and every rate
3 center under your proposal, we have to establish an
4 interconnection point, which is where the financial
5 responsibility--the demarcation for financial
6 responsibility under your proposal, no matter what
7 the architecture is, whether it's built or whether
8 or not we lease from you.

9 MR. D'AMICO: Yes, the financial
10 responsibility would take into account where the IP
11 is, yes.

12 MS. KELLEY: And I want to go back to the
13 question Mr. Dygert asked you.

14 Is it your testimony that rate centers are
15 the same as local calling areas?

16 MR. D'AMICO: That language I think when
17 it was first developed, had rate centers equivalent
18 to local calling area; but in some areas a local
19 calling area could be made up, I believe, of
20 multiple rate centers, so what we have done now is
21 just said that it's the local calling area.

22 A rate center would be in some

1 circumstances smaller, potentially, than a local
2 calling area, so that's why we just basically say
3 it's a local calling area.

4 MS. KELLEY: Well, your contract doesn't
5 say local calling area, does it? It uses the term
6 rate center.

7 MR. D'AMICO: There could be some language
8 that says rate center. I think there is also
9 language that says local calling area as well.

10 MS. KELLEY: Could I direct your attention
11 to your contract section 7.1.1, which is in the
12 interconnection attachment.

13 MR. D'AMICO: It's probably in this JDPL
14 thing?

15 MS. KELLEY: It should be in the JDPL
16 thing, yes.

17 MR. D'AMICO: You wouldn't happen to know
18 which page, would you?

19 MS. KELLEY: I could find it for you.

20 In the JDPL it starts at the bottom of
21 page three and continues on to page four, and I'm
22 reading from the 7.1.1.1. For each data in which

1 LATA in which MCI requests interconnect with
2 Verizon except as otherwise agreed by the parties,
3 MCIm shall establish an MCIm IP in each Verizon
4 rate center area.

5 MR. D'AMICO: Right, and it says or
6 exchange area in parentheses?

7 MS. KELLEY: Right.

8 MR. D'AMICO: That, to me, is a local
9 calling area.

10 MS. KELLEY: Rate center area is a defined
11 term in your contract, I believe. It's Section
12 2.76 of your definitions. I don't know if you have
13 your contract with you. But it defines rate center
14 area or exchange area, and I read that as not a
15 local exchange, but as a rate center.

16 Now, if your testimony is you're changing
17 the proposal from the single IP per rate center to
18 a local exchange area, that's fine. I just want to
19 make sure I understand what the proposal is, given
20 what the contract actually says.

21 MR. D'AMICO: What we meant there was
22 local calling area.

1 MS. KELLEY: Okay. I would like to
2 distribute what's going to be marked as WorldCom
3 Exhibit 40 for demonstrative purposes at this
4 point.

5 (WorldCom Exhibit No. 40 was
6 marked for identification.)

7 MS. KELLEY: Now, in this diagram, just to
8 make sure I understand your current proposal, in
9 the top we have WorldCom end user one, and for
10 purposes of this example that our end user there is
11 located in local calling area one. And the bottom
12 of this chart there is WorldCom end user two, and
13 that end user is located in local calling area two.

14 Do you see those on the chart?

15 MR. D'AMICO: Yes.

16 MS. KELLEY: Okay. Now, assume for the
17 moment that Verizon tandem, which we have shown
18 here as the WorldCom POI, our chosen point of
19 interconnection, assuming for a moment that it's
20 also in local area calling one, under GRIPS, that
21 could be the IP for local calling area one; isn't
22 that right?

1 MR. D'AMICO: Correct.

2 MS. KELLEY: But in local calling area
3 two, since our POI is not in that local calling
4 area, that would be the end office that's
5 designated Verizon end office two; is that right?

6 MR. D'AMICO: Correct.

7 MS. KELLEY: And so, if in a given LATA,
8 for example, there were 25 local calling areas in
9 which we had assigned phone numbers, with the
10 exception of the local calling area in which the
11 tandem is that we've designated the POI, we would
12 have to establish separate interconnection points
13 at each end office.

14 MR. D'AMICO: Correct.

15 MS. KELLEY: So, my example there would be
16 24 new interconnection points. We have the one POI
17 we've already designated, and we would add one for
18 each of the 24 local calling areas in which we had
19 not previously designated an IP.

20 MR. D'AMICO: Yes, but keep in mind an
21 interconnection point is a financial point.

22 MS. KELLEY: I understand. I do.

1 Now, today are you aware that WorldCom
2 serves customers at 11 rate centers in Virginia?

3 MR. D'AMICO: I'm not familiar with the
4 specific NXXs that WorldCom has in Virginia.

5 MS. KELLEY: Do you know off the top of
6 your head how many calling areas there are in the
7 LATA that includes Maryland, Virginia, and D.C.,
8 the local calling area LATA that we're in right
9 now?

10 MR. D'AMICO: No, I'm not aware of the
11 specifics of the local calling areas.

12 MS. KELLEY: To get back to our diagram
13 for a minute, so, the WorldCom user customer number
14 two that's in local calling area two, we discussed
15 that for purposes of financial responsibility the
16 Verizon end office would have to be our IP.

17 Now, it that's true, isn't it, even if we
18 had one customer in that local calling area? In
19 other words, it doesn't have to be five or 10 or 20
20 or a hundred customers. If we've assigned one
21 phone number in that local calling area, we would
22 have to designate an IP?

1 MR. D'AMICO: For traffic from that area,
2 yes.

3 MS. KELLEY: Right.

4 And obviously if we obtain a new customer
5 just onever the border into another local calling
6 area, we would have to establish a new IP there?

7 MR. D'AMICO: Yes, whether that customer
8 is a residential customer or an ISP customer.

9 MS. KELLEY: Any customer at all, a single
10 customer; that's right, isn't it?

11 MR. D'AMICO: Correct.

12 MS. KELLEY: And we talked about a moment
13 ago about the different I think you said
14 architectures was the word you used. I want to
15 make sure I understand. Using the chart again as
16 an example, with Verizon end office two, which is
17 now an IP, I think we have under your proposal two
18 options. We can either build facilities to that
19 end office and interconnect that way. I think
20 that's one; is that correct?

21 MR. D'AMICO: Correct.

22 MS. KELLEY: And the other is to lease the

1 transport facilities in this diagram that run
2 between end office two and your tandem, and I
3 believe you've indicated we lease those out of your
4 access tariff; isn't that right?

5 MR. D'AMICO: Could you go back to the
6 leasing part? I'm not sure. Give me some more
7 specifics on that.

8 MS. KELLEY: Yeah, and in fact, if maybe
9 we could turn to the part of your contract that I
10 believe is relevant, it's Section 2.1.2.3, which is
11 also in that JDPL, and I believe it's on page two,
12 about two-thirds of the way down, where you're
13 discussing methods by which we could interconnect,
14 and 2.1.2.3 talks about an entrance facility and
15 transport leased from Verizon and any necessary
16 multiplexing pursuant to the applicable Verizon
17 access tariff from the MCIm POI to the Verizon IP.
18 That's what I'm talking about.

19 MR. D'AMICO: That would actually be
20 traffic in the other direction. That would be
21 where WorldCom would want to deliver traffic to
22 Verizon, and so under that scenario, that's one of

1 the options that WorldCom could lease facilities
2 from Verizon.

3 What I think the scenario that you were
4 talking about was the WorldCom IP, which is used
5 when Verizon delivers traffic to WorldCom, what
6 alternatives are there for WorldCom to get it back
7 to their switch. And the first scenario was that
8 you would have a physical point of interconnection
9 there, and the second was you would lease something
10 from Verizon. Either you could--if you had a cage
11 there, you could, I guess, lease or purchase UNE
12 IOF back to your switch or Verizon could deliver it
13 to your switch, and then there would be a transport
14 offset. And that would be at UNE rates.

15 MS. KELLEY: To make sure we are working
16 off the same language, where in your contract
17 language do I find that?

18 MS. FARROBA: Is that the GRIPS proposal
19 or the VGRIPS proposal that you were explaining?

20 MR. D'AMICO: Actually that was an option
21 of the VGRIPS.

22 MS. KELLEY: Let's stick to GRIPS.

1 Pursuant to GRIPS, I want to make sure
2 I've got this, going back to the chart because I
3 find I need this to make them make sense, end
4 office two is our IP pursuant to your GRIPS
5 proposal. Our POIs appear at the tandem. We
6 obviously could build to get to the IP. If we
7 didn't build, I assume that we would have to pay
8 you something for this transport facility.

9 What section in your contract governs
10 that, your proposed contract governs that?

11 MR. D'AMICO: In the scenario where you
12 would have a cage at that end office number two,
13 then I guess there are sections in the UNE contract
14 that talk about UNE IOF. You could purchase, I
15 guess, point-to-point services from an access
16 tariff.

17 MS. KELLEY: So, it would be we purchase
18 from the access tariff?

19 MR. D'AMICO: You could, in that scenario
20 you could, but it's not a requirement because there
21 is a cage involved. You could purchase UNE IOF
22 from your cage back to your switch.

1 MS. KELLEY: Could I ask you to turn to
2 Section 7.1.1.3 of your contract.

3 Before I ask you questions about that
4 section, I just to want clarify, make sure I have
5 the universe that we have thus far. We talked
6 about we could build facilities between those two
7 points we have been discussing. You said if we had
8 a cage, we could buy UNE IOF. But if we didn't
9 have a co-location facility, then it would be--we
10 would purchase off the access tariff.

11 Have I gotten those three right?

12 MR. D'AMICO: Well, again, this is Verizon
13 delivering traffic to your switch; right?

14 MS. KELLEY: Yes. This is all
15 Verizon-originated traffic.

16 MR. D'AMICO: So, Verizon would be putting
17 in those facilities. So, to me Verizon is either
18 going to deliver it to a cage in that CO, or we are
19 going to take it all the way to the WorldCom
20 switch.

21 And I guess I keep bleeding over into the
22 VGRIP. We're saying there should be some financial

1 responsibility for us doing that.

2 MS. KELLEY: No, I understand that, and
3 what I'm trying to get at, I just want to make sure
4 I understand your GRIPS proposal, and I will turn
5 to VGRIPS in a minute. I just want to make sure I
6 have like the universe of possibilities on the
7 table. We could build, if we have a co-lo facility
8 there, we could lease UNE IOF, you say, or we pay
9 from the access tariff.

10 Without explaining to me why you think it
11 should or shouldn't be that way, are those the
12 three possibilities?

13 MR. D'AMICO: Again, I'm having trouble
14 with the access tariff scenario. That is an
15 option.

16 When you're ordering from a cage, you
17 could either order UNE IOF or I guess if you wanted
18 to, you could order point to point from your cage
19 back to your switch.

20 But operationally when Verizon is putting
21 in its trunks, Verizon is doing that ordering, so
22 I'm not sure how you could order access in that

1 scenario.

2 MS. KELLEY: All right. Let's move on to
3 7.1.1.3, and this is where we discuss negotiating a
4 transition, and you say that the parties should
5 negotiate a transition--and then I'm paraphrasing,
6 obviously--from our existing arrangements to this
7 new IP arrangement you propose, because we
8 currently don't operate this under this GRIPS
9 proposal, do we?

10 MR. D'AMICO: No, you don't.

11 MS. KELLEY: And in making this
12 transition, 7.1.1.3 indicates that if we can't
13 reach agreement, then you will, under your
14 proposal, pay reciprocal compensation, going back
15 to our chart, so this is clear, using the example
16 we have been using from Verizon end office two, you
17 will pay recip comp from that point all the way to
18 customer termination or to where you hand it off,
19 but you will subtract out of that transport tandem
20 switching and other; is that correct? Out of
21 7.1.1.3?

22 MR. D'AMICO: To the extent there are

1 tandem switching costs, yes.

2 MS. KELLEY: So you would pay us recip
3 comp, but after you deducted the things you
4 proposed to deduct, all that's really left to the
5 recip comp is termination, and I guess actually it
6 would be termination less what you have a category
7 that's called other costs, so it would be
8 termination less other; is that right?

9 MR. D'AMICO: That's correct.

10 MS. KELLEY: Okay, I would like to--I'm
11 distributing what's going to be marked WorldCom 41.
12 it's coming around now. I'll go ahead and describe
13 it. It's Verizon Virginia's Supplemental Responses
14 to WorldCom's Second Set of Data Requests. And
15 it's the data request one and the response.

16 (WorldCom Exhibit No. 41 was
17 marked for identification.)

18 MS. KELLEY: I will read that. It's
19 relatively short. Please let me know if you think
20 I missed anything.

21 The request is if Verizon denies request
22 for admission one, which isn't relevant here,

1 please explain how WorldCom is or would be
2 compensated pursuant to Verizon's GRIPS proposal
3 for the functions WorldCom performs or would
4 perform when receiving a Verizon-originated call at
5 a Verizon end office. If WorldCom were allowed to
6 charge Verizon no more than the reciprocal
7 compensation for that call.

8 And the response is: Pursuant to
9 Verizon's GRIPS proposal, WorldCom be compensated
10 by its end users and by Verizon Virginia in the
11 form of reciprocal compensation.

12 Now, I just to want make clear, for the
13 scenario we have been discussing is
14 Verizon-originated traffic, and for
15 Verizon-originated traffic, of course, we are not
16 compensated by our end users; isn't that right?

17 MR. D'AMICO: It depends on your pricing
18 structure, but--

19 MS. KELLEY: But as a general matter.

20 MR. D'AMICO: Other than some fixed costs
21 or fixed charges, I would say there would be no
22 usage sensitive.

1 MS. KELLEY: So, pursuant to your answer,
2 we would be recovering our costs using reciprocal
3 compensation, through recip comp?

4 MR. D'AMICO: As well as again, if you
5 charge a dial tone line or whatever charges to your
6 end users.

7 MS. KELLEY: But it's your position that
8 recip comp covers--let me know if you can't see
9 this, I'm happy to go to the board, but this piece
10 that goes from here down through the termination?

11 MS. FARROBA: I'm sorry, for the record,
12 you would please explain it in a little more
13 detail.

14 MS. KELLEY: I will. The legs I was
15 pointing to begin at what's labeled Verizon end
16 office two, go all the way up through the Verizon
17 tandem, across to the WorldCom switch, and then
18 down and around all the way back to what's labeled
19 WorldCom end user two.

20 And let's turn for a moment because we
21 have been moving there anyway to what you called
22 your--

1 MS. FARROBA: I'm sorry, was there a
2 question? Was that a question? We didn't hear an
3 answer.

4 MS. KELLEY: I had asked, based on what
5 your response was to this data request, isn't it
6 your position that it's reciprocal comp, reciprocal
7 compensation that's supposed to cover our costs and
8 then down this long leg that I described starting
9 at the end office, going up through the tandem all
10 the way up to the WorldCom switch and all the way
11 around and back to WorldCom end user two.

12 MR. D'AMICO: Yes.

13 MS. KELLEY: Okay. Now, I would like to
14 turn to what you've described as your VGRIPs
15 proposal, and again I want to make sure I
16 understand it.

17 As I understand it, VGRIPs allows Verizon
18 to designate as an IP--and that's the WorldCom
19 interconnection point--any end office in which
20 WorldCom already has a co-location arrangement.
21 Isn't that right?

22 MR. D'AMICO: Yes.

1 MS. KELLEY: Now, my understanding is that
2 Verizon has 62 end office switches in the 11 rate
3 centers in which WorldCom currently serves
4 customers, and these are the 11 rate centers in the
5 northern Virginia local calling area, the bigger
6 LATA that includes Washington and Maryland is what
7 I'm talking about.

8 MR. D'AMICO: Okay.

9 MS. KELLEY: So, if WorldCom had 10
10 co-location cages in those 62 end office switches
11 in 10 of them, you could designate each of them an
12 IP, and so we would have to add 10 IPs to our
13 existing--

14 MR. D'AMICO: Yes, that's correct.

15 MS. KELLEY: And not to belabor the point,
16 but if we had a co-lo cage in half in 31, then
17 there would be 31 IPs?

18 MR. D'AMICO: Correct, for traffic
19 originating from those respective end offices.

20 MS. KELLEY: Right. And, in fact, if we
21 had co-lo space in all 62 of these end offices and
22 these 11 rate centers, then you could designate 62

1 IPs; isn't that right?

2 MR. D'AMICO: Yes.

3 MS. KELLEY: Now, in order for WorldCom to
4 establish co-location, we have to pay an
5 application fee, a space preparation fee, we have
6 to stall equipment, we have to order power and
7 cable, among other things; isn't that right?

8 MR. D'AMICO: Yes.

9 MS. KELLEY: And my understanding is that
10 costs in the range, and this isn't an exact figure,
11 of about \$50,000 first to establish an initial
12 co-lo space. Not all the equipment that goes in
13 it, but to establish the co-lo cage, I'm talking
14 about a 100 hundred square foot co-lo.

15 MR. D'AMICO: I'm not familiar
16 specifically with the rates for co-location, but I
17 would imagine that there are charges for
18 establishing co-location.

19 MS. KELLEY: I know you don't know
20 exactly, but doesn't that sound ballpark to you?
21 Sounds about right?

22 MR. ALBERT: That sounds high to me. I

1 thought there were settlement agreements we reached
2 with each other that were lower charges than that.

3 MS. KELLEY: Well, we could get that
4 information, then.

5 Now, we probably did, but we established a
6 co-location cage to ax unbundled net elements;
7 isn't that right?

8 MR. D'AMICO: That's probably.

9 MS. KELLEY: But under your VGRIPs
10 proposal, we would also have to use them then for
11 interconnection as well.

12 MR. D'AMICO: You could use those cages
13 for an interconnection point. The other option
14 would be for Verizon to take the traffic to
15 WorldCom's switch, and that's where the, again, the
16 transport offset, if you will, would come into
17 play.

18 MS. KELLEY: I'm sorry? What do you mean
19 by transport offset?

20 MR. D'AMICO: Under the VGRIPs, it
21 basically states that we would deliver it to your
22 designated point of interconnection or switch, but

1 if it wasn't a virtual interconnection point, the
2 Verizon would pay the recip comp rate minus the
3 offset of the transport. It's kind of what we just
4 talked about before.

5 MS. KELLEY: Okay. All right. I would
6 like to turn to Section 7.1.2.1.

7 MS. FARROBA: Before do you that, could I
8 ask a clarifying question on that hypothetical, our
9 discussion on Virginia where there are 11 rate
10 centers, but I think 64--

11 MS. KELLEY: 62.

12 MS. FARROBA: 62 central offices.

13 Is it under VGRIPs you would have to
14 establish an interconnection point at every single
15 central office, or would it just be at the 11 local
16 calling areas?

17 MR. D'AMICO: It depends on which comes
18 first. In other words, if there were existing
19 co-location cages there, then Verizon could request
20 that those cages become interconnection points.
21 But if there were no co-location cages there,
22 WorldCom would not have to install any to meet that

1 obligation of VGRIP. The cage would be at the
2 tandems.

3 MS. FARROBA: At the tandem? Are you
4 saying there is one tandem in every local calling
5 area?

6 MR. D'AMICO: No. That's the compromise
7 that we have with VGRIP.

8 Think of it this way: Say we have two or
9 three tandems in the LATA. Verizon is saying under
10 VGRIP that we are willing to meet WorldCom at those
11 tandems through a co-location cage.

12 The second part which we were discussing
13 was in the event that WorldCom has cages in other
14 areas, Verizon could request that those cages
15 become interconnection points for traffic coming
16 from those offices because they have facilities
17 there, and so it's a natural meeting place for us
18 to just drop off traffic there.

19 But absent any co-location cages, they
20 could satisfy the VGRIP proposal by just having
21 cages in a tandem.

22 MS. PREISS: I think what we are confused

1 about is are you saying that if WorldCom has
2 co-location cages in 60 central offices, even
3 though there are only 11 local calling areas,
4 Verizon, at its option, could designate WorldCom
5 IPs at each central office where WorldCom has a
6 co-lo cage or only up to one central office per
7 local calling area?

8 MR. D'AMICO: So, in other words, if the
9 calling area had four central offices in it, and
10 they had four cages in it--

11 MS. PREISS: Correct.

12 MR. D'AMICO: Would we, under VGRIP, be
13 allowed to ask for IPs in each one of those four?

14 MS. PREISS: Yes.

15 MR. D'AMICO: That's a good question. I
16 don't know if we have ever gotten to that
17 specificity of it. I'm not sure it specifically
18 the language addresses it, but I can check into
19 that.

20 MS. KELLEY: Let me ask you to look at
21 7.1.1.2 of your proposed contract. And the first
22 sentence of that section says that any time that

1 CLEC establishes a co-location site at a Verizon
2 end office wire center in a LATA in which CLEC is
3 interconnected or requesting interconnection with
4 Verizon, either party, although I assume it would
5 be Verizon, may request in writing that such CLEC
6 co-location site be established as the CLEC IP for
7 traffic originated by Verizon customers served by
8 that end office.

9 So, that language says it's any end office
10 at which there is a co-location site; isn't that
11 right?

12 MR. D'AMICO: Yes, that's what that
13 language says.

14 Again, we've never--I'm not sure that
15 we've ever been asked that specific question about
16 what if there are four offices in one local calling
17 area, can that be satisfied by just having one IP
18 in that local calling area?

19 But based on this language, if you
20 interpreted it, Verizon could ask for an IP in each
21 one of those cages.

22 MS. FARROBA: Well, is that Verizon's

1 position?

2 MR. D'AMICO: Well, I'd have to say at
3 this point I think that's what the language says.
4 I think we would be willing to discuss kind of
5 clarifying that language, and maybe addressing it
6 further.

7 MS. FARROBA: Okay. So, your position
8 right now is that they would be required to have an
9 interconnection point at each of those co-location
10 sites, those four central offices within the one
11 rate center, or is your position that they would
12 only have to have one interconnection point within
13 that rate center?

14 MR. D'AMICO: I'm not sure at this point.

15 MR. EDWARDS: May we take that as a record
16 request?

17 MS. FARROBA: Yes, it would be helpful to
18 us if we could get some clarification on what
19 Verizon's position is.

20 MR. EDWARDS: We will take that as a
21 record request, thank you.

22 MS. KELLEY: Up to this point we've been

1 talking about Verizon-originated traffic. I would
2 like to talk for a moment about WorldCom-originated
3 traffic. And if you could, look at sections
4 7.1.2.1, and 7.1.2.2 of your proposed contract.

5 MR. D'AMICO: Gotcha. I'm there.

6 MS. KELLEY: Now, my understanding of
7 these two provision is that Verizon's IPs will be
8 either the tandem, to the extent that tandem was
9 designated the WorldCom IP, or the end office, if
10 that was designated the WorldCom IP; is that
11 correct?

12 MR. D'AMICO: This is saying that when
13 WorldCom delivers traffic to Verizon, that the
14 Verizon IPs would either be the tandem serving that
15 end office or the end office serving that customer?
16 It's not really related to where WorldCom's IP is.

17 MS. KELLEY: Okay. So, it would be the
18 end office serving that customer even if WorldCom,
19 under your proposal, didn't have to establish an IP
20 there. That's where your IP would be?

21 MR. D'AMICO: Correct.

22 MS. KELLEY: May I go up to the board? I

1 think it would be easier for me to point.

2 So, my understanding is, in this example,
3 this is a different local calling area, this would
4 be the Verizon IP?

5 MS. FARROBA: Could you little more
6 descriptive.

7 MS. KELLEY: This which is labeled Verizon
8 end office two, local calling area two, rate center
9 three, this would be the Verizon IP; is that
10 correct?

11 MR. D'AMICO: For direct end office
12 trunking, yes.

13 MS. KELLEY: Here is my question. If a
14 WorldCom customer calls--if this were a WorldCom
15 customer, end user two, calls end user three,
16 pursuant to your proposal, we would have to
17 pay--and I'm drawing a line up through WorldCom
18 switch down Verizon tandem and down to Verizon end
19 office two to local calling area two, rate center
20 three. This would be the point at which financial
21 responsibility shifts to Verizon; is that right?

22 MR. D'AMICO: No, actually, what you just

1 described, you're routing that through the tandem,
2 so it sounds like you have tandem trunks from the
3 WorldCom switch to the Verizon tandem. And in that
4 case, the IP, if it's tandem routed would be at the
5 Verizon tandem and then the recip comp rate would
6 be the tandem rate which gets you down to that end
7 office.

8 If there was enough traffic to warrant a
9 direct end office trunk group, then the direct
10 trunk would go from the WorldCom POI to the Verizon
11 end office, and in that situation that would be the
12 Verizon IP. Is that confusing you?

13 MS. KELLEY: It is, and I don't have your
14 contract language with me, so I'm going to go back
15 and try to do it through this chart.

16 MR. D'AMICO: Maybe if I said--there are
17 two types of trunks. There is a tandem trunk, and
18 there is an end office, a direct end office trunk.
19 When a tandem trunk is involved which means that
20 the traffic is going directly to the Verizon
21 tandem, then the Verizon IP is the Verizon tandem
22 because a tandem rate recip comp rate includes the

1 costs to get it from the tandem to the end user.

2 When there is direct trunking involved,
3 then you obviously are bypassing the tandem--

4 MS. PREISS: Excuse me. When you say
5 direct trunking involved, you mean a direct trunk
6 from the WorldCom switch to the Verizon end office?

7 MR. D'AMICO: Yes.

8 MS. PREISS: Right, okay.

9 MR. D'AMICO: In that scenario, then the
10 Verizon IP would be the actual end office.

11 MS. PREISS: And then you would collect
12 the end office reciprocal compensation rate?

13 MR. D'AMICO: Correct, exactly, which is
14 lower because it does not have the tandem switching
15 and the transport to get to that end office.

16 MS. PREISS: Thank you.

17 MS. KELLEY: So, you were describing a
18 situation in which there was a direct end office
19 trunk between the WorldCom switch and the Verizon
20 end office we have been discussing?

21 MR. D'AMICO: I described both, but we
22 could pick either one that you want to talk about.

1 MR. GOYAL: If I could clarify, does the
2 language in 7.1.2.2 correspond to the situation
3 where there is a direct trunk to the Verizon end
4 office in 7.1.2.1 correspond to the situation where
5 there's only tandem trunking?

6 MR. D'AMICO: Yes, exactly.

7 MR. GOYAL: If I could also go back to one
8 of the points that you were testifying about
9 earlier, with respect to the transformation of a
10 CLEC co-location, end office co-location to an IP,
11 what exactly does that mean? What are the
12 ramifications of that? Does that mean that the
13 CLEC would employ direct end office trunking to
14 that end office, or does that transformation of the
15 co-location to an IP, is that just sort of a
16 virtual transformation? And then the CLEC would
17 compensate Verizon for its originating transport
18 from that IP up to its point of interconnection?

19 MR. D'AMICO: Obviously we would not put
20 in a direct end office trunk to that cage from that
21 end office if the traffic didn't warrant, so I
22 think what you said is correct, is that we would

1 designate that IP as a cage. I'm sorry, that cage
2 as an IP, and then that could be--typically, that
3 would be a direct end office trunk from that
4 particular end office. I'm not sure why we would
5 ever want a tandem.

6 In fact, it says traffic from that end
7 office, so a tandem trunk wouldn't apply in that
8 situation.

9 MR. GOYAL: If a CLEC had a co-location
10 cage in a Verizon end office but wasn't currently
11 employing direct end office trunking to that end
12 office, under Verizon's proposed contract language,
13 would the CLEC have to begin either supplying its
14 own transport to that end office or leasing it from
15 Verizon?

16 MR. D'AMICO: Well, again, this is traffic
17 from Verizon to the CLEC, so Verizon would control
18 the putting or the installation of a direct trunk
19 route, so once it got above a DS1 level, we would
20 put in a direct trunk, and then WorldCom would haul
21 it back to their switch.

22 MR. GOYAL: Does the transformation of an

1 end office co-location to an IP only apply to
2 Verizon-originated traffic?

3 MR. D'AMICO: Yes.

4 MS. KELLEY: I would like to ask a
5 clarifying question. When we are talking about
6 direct end office trunking, using this diagram,
7 WorldCom can take its traffic from its switch to
8 your tandem and then employ direct end office
9 trunks from your tandem to your end office; isn't
10 that right? Don't we have direct trunking from--

11 MR. ALBERT: You're really mixing and
12 matching the terminology there. The direct--when
13 we say direct end office trunking, that would be a
14 trunk group where one end of the trunk group
15 started at the WorldCom switch, and the other end
16 of the trunk group ended at the Verizon switch.
17 So, if you're talking a direct end office trunk
18 group, those are the two end points. There are
19 different names for the other types of trunk
20 groups, if you were switching them at the tandem.

21 MS. KELLEY: Does direct end office trunks
22 that you just described, don't they route through

1 the tandem?

2 MR. ALBERT: No. And you've got to be
3 careful when you use the word "routing" because
4 that connotates that we might be talking about
5 switching or you might be talking about transport.

6 MS. KELLEY: Right. I'm not trying to
7 confuse it. I didn't mean did they route through
8 the tandem, do they get switched, but don't they
9 route through the tandem location? They follow
10 that same path?

11 MR. ALBERT: They could. The actual path
12 of transport that this direct end office trunk
13 group would take, would take a lot of different
14 paths really determinable by the CLEC. One
15 possible way is it could come through the central
16 office building where the tandem is. But that's
17 not the only way, there are zillions of ways that
18 you could physically route the transport to move
19 that trunk group across it.

20 MS. KELLEY: Sure. But on this diagram,
21 when we say direct end office trunking, we could be
22 still be talking about traffic that follows the

1 route, although it doesn't go through the tandem
2 switch I understand, but from our switch to your
3 tandem down to the end office?

4 MR. ALBERT: Yes. That's one of many
5 possible ways that it could go, that it could
6 route, that its transport could route.

7 MS. KELLEY: Just a few more questions. I
8 would like to direct you to page seven of your
9 July 31st testimony. It's your direct testimony,
10 it's been designated Verizon Exhibit 4. And this
11 is where you describe a situation in which a
12 Verizon customer in Staunton, I believe, is calling
13 a WorldCom customer in Staunton, but the WorldCom
14 POI is in Roanoke. Do you see that on that page?

15 MR. D'AMICO: Yes.

16 MS. KELLEY: Now, we agree, though, that
17 this is a hypothetical; this isn't a an actual
18 situation you were describing it was just a
19 hypothetical?

20 MR. D'AMICO: Yes.

21 MS. KELLEY: In the Greco Ball rebuttal
22 testimony--this is WorldCom testimony dated

1 August 17, 2001, that's WorldCom Exhibit 15, at
2 page 31--I don't know if you have our testimony as
3 well, but they indicate that based on a study of
4 July 2001 traffic, and based on the current points
5 of interconnection established in Virginia, on
6 average Verizon is transporting traffic
7 approximately 10 miles.

8 Are you familiar with that testimony?

9 MR. D'AMICO: It doesn't jump out at me.

10 MS. KELLEY: Subject to check and based on
11 my representation on that, you don't have any basis
12 to dispute that 10-mile figure, do you?

13 MR. D'AMICO: Can you give me a little bit
14 more information on the 10 miles represents what
15 type of traffic? For Verizon to WorldCom traffic?
16 Or just in general traffic?

17 MS. KELLEY: Verizon to WorldCom traffic.

18 MR. D'AMICO: I--

19 MR. EDWARDS: Do you need to see your
20 testimony, Mr. D'Amico?

21 MR. D'AMICO: It would help. But assuming
22 that's what it says, I don't know what the specific

1 routes are from the Verizon offices to WorldCom
2 switches.

3 MS. KELLEY: You haven't done any studies
4 of your own that produced a different figure, have
5 you?

6 MR. D'AMICO: No, I have not.

7 MS. KELLEY: I would like to turn to issue
8 1.4, if I could. This is the direct end office
9 trunking issue.

10 Now, again, just to make sure we are on
11 the same page, as I understand it, and this is
12 generally, there are two components to this dispute
13 between us, and the first is that Verizon wants
14 direct end office trunking if minutes of use exceed
15 200,000 from a given tandem to a given end office,
16 and I believe that's contained in Section 2.2.4 of
17 your proposed interconnection attachment. In the
18 JDPL, I think that's at page 48, in case you want
19 to reference it.

20 In fact, that might be a good place for
21 you to go because I'm also going to ask you also to
22 look at WorldCom's proposed Section 2.4.2, which is

1 on the next page of the JDPL, page 49.

2 MR. ALBERT: Okay, I got page 48.

3 MS. KELLEY: Do you have 49 with you also?

4 MR. ALBERT: Yep.

5 MS. KELLEY: All right. I'm not
6 interested in going through this word by word but,
7 as a general matter, in WorldCom's Section 2.4.2,
8 WorldCom proposes that if traffic exceeds 200,000
9 minutes of use per month between a given tandem and
10 a given end office, direct end office trunking will
11 be established; isn't that right?

12 MR. ALBERT: That's right. We are kind of
13 using the terms 200,000 minutes of use in a DS1
14 synonymously. DS1 being the trunk group with that
15 24 trunks.

16 MS. KELLEY: In fact, in that same section
17 WorldCom proposes that when a party realizes that
18 such traffic exceeds 170,000 minutes of use, they
19 could notify the other, and that's to ensure that
20 facilities are installed by the time we hit that
21 200,000 minute point.

22 Did you see that?

1 MR. ALBERT: Yeah, I see that.

2 MS. KELLEY: So, that's the first issue.

3 The second involves Verizon's proposal which
4 involves a 240 trunk per tandem limit, and I
5 believe that's your proposed Section 2.2.5, which
6 is also on page 49. Let me know when you found it.

7 MR. ALBERT: Okay. You're saying 2.2.5 of
8 our proposed contract language?

9 MS. KELLEY: That's right. That's the 240
10 trunk tandem limit; is that right?

11 MR. ALBERT: That's what it says.

12 MS. KELLEY: And am I right that 240
13 trunks is about the equivalent of 10 DS1s?

14 MR. ALBERT: That's correct.

15 MS. KELLEY: So, to make sure I have your
16 proposal correct, and the way it interplays with
17 the 200,000 minutes, WorldCom is allowed 240 trunks
18 in a given tandem. When it hits 241, we have to
19 peel it off and establish a direct end office
20 trunk, and that's true even if none of 241 trunks
21 are carrying 200,000 minutes. This is not related
22 to the 200,000 minute issue; is that right?

1 MR. ALBERT: They're a related topic in
2 terms of trunk terminations on the tandem. But
3 they can operate independently. So you could hit a
4 point where you needed, as you were saying, that
5 241st trunk, and at that point you still might be
6 under the DS1's worth of traffic to the different
7 end offices that subtended that tandem.

8 MS. KELLEY: So, it's a completely
9 separate requirement than the 200,000 minutes?

10 MR. ALBERT: I'd say it's related to it,
11 it's the same topic, but it's two separate
12 requirements that can work independently.

13 MS. KELLEY: Independently, that's my
14 understanding as well.

15 And my understanding is that your position
16 is you need this to ensure that tandems are not
17 exhausted; is that right?

18 MR. ALBERT: Yeah. The whole purpose of
19 the whole DS1 threshold, I guess it's really
20 twofold. It relates to operational performance,
21 and in particular trunk blocking and operational
22 performance penalties that we are on the hook to